

**Assembly Bill No. 450**

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Passed the Assembly September 2, 2011

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*Chief Clerk of the Assembly*

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Passed the Senate August 30, 2011

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 89036 of the Education Code, relating to the California State University.

## LEGISLATIVE COUNSEL'S DIGEST

AB 450, Wieckowski. California State University: food service contracts.

Existing law authorizes the Trustees of the California State University to enter into agreements for the performance of acts or for the furnishing of services, facilities, materials, goods, supplies, or equipment, under certain conditions. The trustees are required to prescribe policies and procedures for the acquisition of services, facilities, materials, goods, supplies, or equipment, subject to specified criteria.

This bill would require the policies and procedures for the acquisition of food services to ensure a service contractor fully discloses to the campus, auxiliary organization, or other unit of the California State University all discounts, rebates, allowances, and incentives received by the service contractor from its suppliers, as specified, and to disclose and pay to the campus, auxiliary organization, or other unit of the university the full amount of the discount, rebate, or applicable credit, as specified. This bill would require the policies and procedures for the acquisition of services be available for review as part of any audit conducted under specified provisions. The bill would require any necessary changes to the policies and procedures for the acquisition of services be implemented upon the renewal, extension, or amendment of an existing agreement or as part of any new service agreement.

*The people of the State of California do enact as follows:*

SECTION 1. Section 89036 of the Education Code is amended to read:

89036. (a) (1) The trustees may enter into agreements with any public or private agency, officer, person, or institution, corporation, association, or foundation for the performance of acts or for the furnishing of services, facilities, materials, goods,

supplies, or equipment by or for the trustees or for the joint performance of an act or function or the joint furnishing of services and facilities by the trustees and the other party to the agreement.

(2) (A) Notwithstanding any other provision of law, the trustees shall prescribe policies and procedures for the acquisition of services, facilities, materials, goods, supplies, or equipment. The policies and procedures of the trustees for the acquisition of materials, goods, supplies, or equipment shall include competitive means for obtaining best value while complying with legislative intent regarding competitive bids or proposals as it is expressed in Article 3 (commencing with Section 10300) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, and may include the use of financing arrangements.

(B) The policies and procedures for the acquisition of food services shall ensure that a service contractor fully discloses to the California State University campus, auxiliary organization, or other unit of the California State University all discounts, rebates, allowances, and incentives received by the service contractor from its suppliers. If the service contractor receives a discount, rebate, allowance, or other incentive from any supplier, the service contractor shall disclose and pay to the California State University campus the full amount of the discount, rebate, or applicable credit that is received based on the purchases made on behalf of the California State University campus, auxiliary organization, or other unit of the California State University. Language stating this requirement shall be placed in agreements covered by this section. All discounts, rebates, allowances, and incentives shall be paid to the California State University campus, auxiliary organization, or other unit of the California State University during a mutually agreed upon time frame, and be available for review as part of any audit conducted pursuant to Section 89045 or 12440.1 of the Government Code. Any changes required pursuant to this section shall be implemented upon the renewal, extension, or amendment of an existing agreement or as part of any new service agreement.

(3) The trustees may enter into agreements with the federal government or any agency thereof in accordance with the procedures prescribed by the federal government or agency in order to receive the benefits of any federal statute extending benefits to the California State University or to California State

University students, including, but not necessarily limited to, both of the following:

(A) Agreements with any agency of the federal government for the education of persons in the service of the federal government.

(B) Agreements with any agency of the federal government for the education of veterans. These agreements shall provide for payment of the maximum amount permitted under the act, or acts, of Congress under which the agreement is entered into.

(4) Notwithstanding any other provision of law, the trustees have all power necessary to perform any acts, and comply with conditions, required or imposed by the federal government in order to receive the benefits. The trustees are vested with all necessary power and authority to cooperate with any agency of the federal government in the administration of any applicable act of Congress and rules and regulations adopted thereunder.

(b) Notwithstanding any other law, the trustees have all power necessary to award contracts to one or more contractors, at any one or more campuses, for the collection of delinquent educational loans required to be repaid under federal law.

(c) As used in this section, the following terms have the following meanings:

(1) “Auxiliary organization” means those entities defined in Section 89901.

(2) “Rebate” includes any return of monetary value, including, but not limited to, any volume discounts, allowances, or discount purchase incentives.







Approved \_\_\_\_\_, 2011

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*Governor*